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1. From the juridical point of view, it is still uncertain whether the acquisition of German properties by the Soviet AG's constitutes a legal change of ownership or a unilateral confiscation by the Russian delegate. The first appears to be the intention of the Russians, who occasionally speak of a "sale" and of "giving legal force" to the transactions. However, German law requires that the former owners be represented when a transfer of ownership is made, and the commissions appointed for this purpose by the SMA orders do not include any such representative, having on the German side only a representative of the state government (see para. 2 of the attachment) and sometimes a German employee of the new Soviet firm. If no legally effective transfer has taken place, then there is no change of ownership which is effective in German civil law. Lawyers and public officials are anxious to have this question clarified.
2. Since the Russian enterprises have been set up in the form of stock companies, they appear to be commercial undertakings subject to the law of the country where they are located. The German view, accordingly, is that their legal relationships should be regulated by German law. Nevertheless, the Russian companies demand an exceptional position which is tantamount to extra-territoriality, as illustrated in the following connections:
 - a. The supply of fuel and raw materials; the Russian firms demand the full satisfaction of their requirements, whereas German firms obtain only a small part of what they need.
 - b. The food supply and pay scales for the management and many of the workers, who receive considerably higher allotments than employees of German firms.

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